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April 8, 2019

Dr. Johnette McKown, President
McLennan Community College
1400 College Drive
Waco, Texas 76708

Dear Dr. McKown,

I am attaching the final report on *A Compliance Monitoring Audit of Formula Funding at McLennan Community College*, Report No. THECB-CM-FF-19-003. There was one finding related to information technology controls resulting from this engagement.

Summary

Information security controls over student enrollment information at McLennan Community College require improvement. Audit trails over key enrollment data such as class meeting days and times must be established to ensure the reliability and integrity of data used for formula funding decision making purposes. Therefore, our original review objectives, including a determination of the accuracy of contact hours reported by McLennan Community College, were unable to be met.

A follow up audit will be performed to evaluate McLennan Community College's information security controls. This will serve as a basis for future base period assessments of the accuracy of contact hours reported for formula funding purposes.

This Compliance Monitoring report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in July 2019.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl".

Mark A. Poehl, CPA, CIA, CISA, CFE
Director, Internal Audit and Compliance

Detailed Observation, Recommendation and Management's Response

1. Information technology processes and controls over student information system enrollment data should be strengthened.

Information technology processes and controls over student information system enrollment data should be strengthened. Although McLennan Community College has policies and procedures in place to limit access to information systems, the student information system does not provide audit logs or change history for critical formula funding data, including:

- Credit hours
- Lab hours
- Lab contact hours
- Instruction mode
- Meeting times
- Lecture hours
- Lecture contact hours
- Type of Instruction
- Meeting days
- Instructor of record

The lack of audit logs or change history limits the ability to rely upon the integrity of the data. McLennan Community College implemented student information audit logs (change history) for the critical data in November 2018; however, due to the time period to be audited, (Summer 2017, Fall 2017, and Spring 2018), the change did not occur in time to adequately cover the audit period.

The Family Educational Rights and Privacy Act (FERPA) 34 CFR 99.31(a)(1)(ii) requires that "An educational agency or institution must use reasonable methods to ensure that school officials obtain access to only those education records in which they have legitimate educational interests." Security standards in Texas Administrative Code (TAC 202) established by the Department of Information Resources (DIR) for institutions of higher education are also a good source of information to strengthen the information technology control environment.

Recommendation:

Capture and retain student information system audit logs or change history for the critical data used for formula funding.

Management Response:

On November 26, 2018, McLennan Community College adjusted the Ellucian Colleague system to capture and retain student information system audit logs or change history for critical data used for formula funding enrollment data. McLennan Community College now has the capability to provide audit logs for critical formula funding data.

Responsible Parties: Michael Searight, Director Information Systems and Services; Don Hurst, Systems Analyst, Information Systems and Services; Herman Tucker, Director Records and Registration

Completion and Effective Date: November 26, 2018

PERFORMED BY:

Ms. Carol Conner, Compliance Specialist

CC:

THECB

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